

**STAFFORD COUNTY
AGRICULTURAL AND PURCHASE OF DEVELOPMENT
RIGHTS COMMITTEE MINUTES
September 27, 2010**

The meeting of the Stafford County Agricultural and Purchase of Development Rights Committee for Monday, September 27, 2010, was called to order at 7:03 p.m. by Chairman Tom Coen in the County Administration Conference Room of the County Administration Building.

Members Present: Coen, Adams, Hunt, McClevey and O'Hara

Members Absent: Clark

Staff Present: Lott, Neuhard, and Knighting

1. Call to Order

Mr. Coen: Okay we have a quorum. The first order of business is to approve the August 22 minutes. Is there a motion to accept it and then we can discuss it.

2. Approval of Minutes – August 22, 2010

Mr. Hunt: Motion to approve.

Mr. Coen: Alright, is there a second? I will second it. Okay any discussion on it...on the August 22 minutes? Seeing none, all those in favor of accepting the August 22 minutes say aye.

Mr. Adams: Aye.

Mr. Hunt: Aye.

Mr. McClevey: Aye.

Mr. O'Hara: Aye.

Mr. Coen: Aye. All opposed. Okay. We have been asked, especially down at the farther end of the table to talk really loud so...especially if we wrinkle papers. Okay the next item is the staff update.

3. Staff Update

• PDR Celebration Event

Mr. Lott: The first thing on the agenda was to discuss the PDR Celebration event. I don't have too much to say about it other than it seemed like it went very well. I don't know if maybe quite as many people attended as we had hoped for but it was a beautiful day and the ceremony went well.

Mr. Neuhard: I think all we have to do now is get the sign mounted and then we are good.

Mr. McClevey: Did you want an update on that?

Mr. Neuhard: Yes.

Mr. McClevey: I staked it out and got the materials for the framing and stuff. The site is going to be B because it is all backfilled with concrete and whatever. So I will have it in hopefully in another week. I am going to try to work on it next Monday because I took the day off.

Mr. Coen: Where on the property?

Mr. McClevey: Just as you enter the property, immediately...well here is the mailbox on the edge of the road and just behind the mailbox.

Mr. Coen: Cool.

Mr. McClevey: So it does not obstruct the roadway view at all.

Mr. Lott: Can you use some kind of posthole digger?

Mr. McClevey: I have got everything I need, it is just going to be...

Mr. Lott: Let me know if you need assistance or whatever.

Mr. McClevey: Mr. Clay Lawrence came by, he lives in the house and he said that he filled that area and used chunks of concrete and lots of gravel. I will get it in.

Mr. Coen: I contacted the Free Lance-Star afterwards and that is sort of where...I gave them Kathy's information and there was a nice little blurb in the Zoom section.

Mr. Hunt: There was a picture in there too.

Mr. Coen: Speaking of which, can we get any of the pictures? That would just be neat. I think the staff did a phenomenal job. Thank you very much it really was a nice ceremony. The people who did all the food, it was magnificent, really it was just very, very...I think the Silver's appreciated it.

Mr. Neuhard: It was certainly a beautiful day.

Mr. Coen: Yes it was. Okay, next it will be the PDR Managers meeting.

- PDR Managers Meeting

Mr. Lott: I went to the meeting down at NRCS last Wednesday and I will just touch on a few brief things that were discussed. Kevin Schmidt, who gave the presentation at the meeting, was there. He kind of went through a summary of the State's distribution of money over the last three years and summarized how unfortunately how it has steadily dropped from \$4.25 million in 2008 down to this year where they had a hundred thousand dollars to allocate to the counties. He also said the \$1.25 million was reallocated this past June. Counties were not able to spend the money in time, they lost the money and it was redistributed, I think to Isle of Wight and Fauquier County, and they have since spent the money. They are now trying to revise the methodology right now. I guess every fiscal year as it ends the money gets redistributed back into the Virginia general fund. They are going to have to request to get the money back. They are trying to set up some kind of fund so that the money is permanently there and they don't have to keep going through this with people frantically trying to get the money spent. I think people...it depends on the different counties. The county that lost the money...a lot of it is based on interest rates. The interest rate was not what the perspective seller of the easement was hoping for and backed out at the last second. I don't know how much is important to the Committee, they added some language to the intergovernmental agreement that the counties and jurisdictions go into. Really all they did was...because we know they like to fund projects that are...if you go to agricultural or forestry and they added some more definitive language to that. Basically it is saying that the property has to meet the definition of the Virginia Administrative Code of what agriculture and forestry are. Which, there was some argument about that at the meeting because it was general and vague that just about anybody who is in an agricultural zone would get it. Some people were arguing that to be in forestry that you have to have the right management plans, etcetera. Or to be in agriculture you have to have a tax receipt to show that you generated revenue from agriculture, not just that you have a horse or what have you. But that is where it is right now. Other than that there are a few other things, I guess October 22 is when we have to if we were going to apply for money this year. We don't have matching funds, so I don't believe we will be. There is only a hundred thousand to separate between 22 counties that have PDR programs and only a handful of them are active. Other than that the next Land Preservation Conference will be in Charlottesville, May 30 to June 2, for anybody that would like to attend. There are a few other things that we can discuss, but I thought we would discuss them further down on the agenda because it would be more relevant to the conversations.

Mr. Coen: Okay. On the counties that end up getting the money, like you said Isle of Wight and Fauquier, do you know if they already had something in the pipeline and this was just gratis or did they have to like...you know...I mean I thought the process where they...

Mr. Lott: Isle of Wight and Virginia Beach have a constantly open program, they don't have set...their people apply if they are interested and they evaluate and begin negotiating. They were in the process of negotiating and the money became available, so

they just took advantage of it.

Mr. Coen: Okay. Any other questions? Alright, we move on to unfinished business, rollback.

4. Unfinished Business

- Rollback Taxes for PDR Funding

Mr. Neuhard: As you know we provided recommendation to the Board and it was on their agenda at the last meeting. Mr. Milde introduced the item and they had a similar presentation that y'all had from Scott Mayausky, the Commissioner of the Revenue. There were questions, discussions, a lot of...no agreement on where they should be. But they did agree that they needed to take this item and refer it back to this Committee, which they did, to further study the issue of using land use roll back taxes as a dedicated source of revenue for land conservation programs. And the Commissioner of the Revenue has committed to working with us on that. But the central theme was for the Agricultural/PDR Committee to look at this issue and come back to the Board with a recommendation on the idea. So what I thought, and I talked a little bit with Tom about this before the meeting, was that we will support you in whatever you need to make a recommendation to the Board about what they should do with rollback taxes. It would be helpful to us, if tonight y'all could frame the type of questions you have and whatever information you would want and we will make arrangements to get that by the next meeting and have Scott here to discuss it with you further. We have already started getting some information together regarding it but we will be happy to do that and bring it back for you.

Mr. Lott: I did ask at the PDR meeting last week about rollback taxes as well. I guess Fauquier County did use it as a source of funding in the beginning before they got their...I am actually not sure how Fauquier got their funding, if it is a cent on the tax rate or what they do. They said it was actually a fairly significant part of their funding in the beginning, in the early 2000's. Like here when so many properties were going out of land use and they were getting a lot of money. They said now it is not at all a significant part of funding the program. He did also mention down there that Senator Hanger in Rockingham County, several years ago did introduce a bill to extend the rollback taxes from five years to ten years, for all counties to do that and it died the first day in committee. It never got anywhere, so it is something that has been brought up to the legislature before.

Mr. Adams: Well, our proposal is seven years, right? Five to seven?

Mr. Lott: Yes. The general view of the people there was that the chance of extending it beyond five years was pretty slim.

Mr. Coen: I sort of get it...really so far there are four options and people can correct me if I am not remembering correctly from last month. But the initial proposal that Mr. Milde asked us to look at would be to add two years to the five years. Then there was a suggestion last month that we take some of the rollback. Maybe we take two years out of the five years and we would not need to go to the State Legislature for that, we could just recommend it and if the Board felt that way they could just do it. There was a suggestion that we take all of the rollback and then Mike mentioned there was a possibility of taking the delta. I would ask you to flush that out a little bit more.

Mr. Neuhard: Well, it is just a thought. Right now your five years is currently budgeted based on patterns. It is already in essence committed to the budget. But if there are chances that you bring in more than you budgeted then there would be a possibility to...not saying that anybody will and not saying that every year you are going to do that but if you did you could have it so the delta goes to the program. It would be the difference between what you budgeted and what you actually received that year.

Mr. Adams: That would just be excess, right?

Mr. Neuhard: Yes.

Mr. Adams: You would not take away if there was a shortfall.

Mr. Neuhard: No. It is just another way of thinking about it. It may not be something that is viable because years that you either make budget or are below budget you would not get any money from it. But it is another way of looking at it and perhaps making it palatable to those that are concerned about what they are already doing with the five year rollback in the general budget process. That is all.

Mr. Hunt: One of the things that I was thinking along the lines, but like I said...since this is coming from the Aquia District Supervisor, and I am the Aquia District guy, and I think we probably have more...I don't know that I am smart enough to ask...to tell you the information that I want right now. I would be willing to...I guess it would depend on the timeframe you are on, but I would be willing to take the lead in working with Mr. Mayausky and Supervisor Milde to try to flush this out some options and come with some questions at the next PDR, but what cycle are we working on? What is the timing?

Mr. Neuhard: Well, the Board...that is a good question Bob, it really is and I wish I had a good answer for you. The Board, at their

discussions, they just sent it back to you they did not add a time for it to come back. But we all know that if it is a recommendation that involves the General Assembly we need to wrap it up here in the next month or two so that we can get it to our Delegates and make sure that we have something in this General Assembly, if it is a bill issue. But if it deals with policy more than a change in the law then you have got...there is no...

Mr. Hunt: So, if I made a commitment to kind of work out the details on the three or four options, and bring them to the October meeting, would that be too late? I am not trying to take this job, if somebody else wants it please volunteer. But I am not sure I am smart enough to even tell you what I want to know right now.

Mr. Neuhard: Well, October would be...I think if there were legislative issues, I think October would...you would want to make some decisions in October. Depending on how you...if you thought, for example if you were to propose and got some information, certainly you could work with us and if you wanted other people here within that time period we could make sure they are all here so you could have a robust discussion and whatever. I would think...this is just me because they absolutely did not put any timeframe on this for you, that if it is involving legislations you do not want to go too much past your October meeting. There is just too much going on.

Mr. Coen: I think it is certain...either way that we go...if you go through your route or their route...there are certain questions that...well Scott already gave us some figures, but clearly if there was a delta over the last couple of years and how much. That would sort of give you an idea if there has been a history of a delta then it would be something to talk about. If there has not been a history of a delta, then it sort of makes that a moot point. So I guess that would be one thing to see. I guess one questions would be...the only thing that really has a time aspect is if we add to the five year. The other ones can be done in house with going to the legislature, and that would be just going before the Board and saying this is what we suggest. Does my memory serve me correctly that you are going to start cranking into the budget cycle for the next fiscal year?

Mr. Neuhard: Yes, we have already started

Mr. Coen: I mean we are almost at a point, I am just throwing this out there, we are almost at a point where we could say if there was a delta that we recommend the delta for this now and for the next budget we talk about something that would be either the existing, all of the roll back, part of the rollback or whatever. That way it is sort of...time wise it would sort of make sense, because even if we say in October that we are thinking of not going to go to legislature, then we are sort of in the same ballpark. Could we do something for this budget year and say we will do it and by that point we will know if there was a delta.

Mr. Neuhard: Well, right now you are in the budget and if you were to make that recommendation you could make it anytime before closure at the end of the fiscal year.

Mr. Coen: Right.

Mr. Neuhard: Because we are not going to know what that is until the end of the fiscal year.

Mr. Coen: Right.

Mr. Neuhard: So you have got time if that is something that you want to do. Now we can...I think the last time you asked Scott to do and we can get this for you, the rollback for five years and we can certainly get you any deltas against the budget for the last five years as some information to have available in October, as part of your discussion. But in terms of what happens this year we won't know until the end of the year.

Mr. Coen: Right.

Mr. Neuhard: Which is July, so you will have that time to think about that and make that recommendation and to watch how that tax comes in.

Mr. Coen: Before I forget, could you check with Fauquier, since you said that they had used it. Either way if we end of going one way or the other, it would not hurt to have the county next doors actual date. And if memory serves me, they do a penny on...well they have a couple different land conservation programs, but if they used this until they did the penny on the tax roll it would be helpful to let them know that yes this worked and if they were shy about putting any money on the tax roll. Then it gives them an option, you can do this or you can do the penny. One question I have is as far as timing. Take, for example, I know the delta is not going to get a lot of money, but if we don't know that until July, how does that fit into the time frame of the PDR program? Do you know what I am getting at? Because the time frame is if we won't know exactly how much money even if it is a little bit of money until July, where is the program going to be then?

Mr. Neuhard: Well, I think it is safe to say, based on what you saw from the last figures, that there is not a lot of money here so it will be something that you will have to build over time. But it is a source and so you would be banking it, we will use this work as a

concept term, you would be banking that much like we did with the last PDR money. We held it through multiple fiscal years in account and rolled it over from year to year until we finally go to the point that we had enough to make a difference and to match the State funds. So I would say that is what you would be doing with whatever source you have, you would be banking it until you had enough to make it worthwhile to go after other funds to match it.

Mr. Coen: And I guess one other question, and we sort of alluded to this last meeting, is in how vague we phrased it intentionally. Would this be able to be used with the Quantico program? This is a different set of program, I know it is not...they target a property but it would have to be matching funds. So that is one of my questions. I don't know how much more we are looking at with Quantico because it is not our bailiwick but if Quantico looks at this property and says I want to get X amount, would any of this really mean that it could not be used that way or would we have to keep banking this for 5, 10 or 15 years.

Mr. Neuhard: Let me just speak to the Quantico program. In the Quantico program they have already identified and targeted their properties. And they have prioritized them. Certainly they are always looking for partnerships but they do not have money standing by. They would then have to apply through their program to get money through the Federal budget cycle and so far they do not have any money. So they don't have money and we don't have money so we can't step up to them and say we are going to match you or we will be involved in your program. That was the problem we saw when we first met with them. First of all they are very specific about targeting and we don't target. We go out voluntarily, okay. So they targeted. The second thing was every Federal budget year they are competing with these other bases for this money and we don't have any money to contribute. I don't know how else to put it, but that is the problem. They would love to partner with anyone for matching funds against what they are trying to get. Then you would offer the money and we would just like we did with the State, we would put it in with their program. They would get the money and then we would buy their priority properties basically or those easements. So it is really open, you can go look at the properties and their priorities right now. We would be happy to bring that map back to you if you want to see it. They have applied for funds but to our knowledge they have not received any through their program. We can certainly bring the specifics back about their process. I think if we had a significant amount of money, the Committee may want to partner on some of their property. You may look at some of their properties they have prioritized and say we are interested in that, we will go in with you and help match it or contribute in some way to the purchase of those easements. Right now we just have not had the ability to...but we still meet with them.

Mr. Coen: I just did not know. I am just curious if the amount of money we are talking, either the partial rollback, some of the rollback or the delta rollback, would even be enough for that to even come into play at some point if they ever get matching funds. Again it is up to the Committee, if they feel they don't want to leave the open the money could go either way or if they just wanted it to be put in PDR.

Mr. Neuhard: If you are using money for land conservation you could do it with that. They are conserving open space and land, but for a different purpose.

Mr. Coen: Right.

Mr. Neuhard: But it is the same end affect.

Mr. Adams: Do you know the properties that are targeted at Quantico right now, do the owners of those properties know that they are on a...

Mr. Neuhard: Yes. They went through a whole process and they looked at potential ones that still open space and all of that. They have approached all of the owners and have made a map.

Mr. Coen: Well, do people feel comfortable...

Mr. McClevey: I have a couple comments.

Mr. Coen: Okay.

Mr. McClevey: One, I have always thought it was appropriate for the rollback money to go back towards conservation since we have had the PDR program. My concern is some of the things that Scott mentioned at the last meeting where it kind of indicated that they are now going to be looking at properties closely around the county as far as who is compliant with land use and who is not. At the present time the land use program is in of itself a conservation program because as long as people get a deferred tax they are willing to keep their property in agriculture or doing something like that. My concern is that once we start using these rollback monies for other programs or expanding in the County budget somehow, whatever way we see the need is currently, that Scott is going to be hunting for these property owners and indicating to them that we are going to give you...right now you are not complying therefore you are reverting to another land use, you are going to be a change in designation or fish or cut bait type of scenario. Either get with the program...I have discussed this with Jeff and Jeff has his perspective on it and I agree with his perspective, I am not speaking for Jeff, but as long as a property owner holds property in land use they get to defer taxes. Only when the property is sold that the rollback taxes come in, so it does not hurt the property owner as long as they are in the land use

program. But if Scott goes to the property owners and says you have a hundred acres, you have not complied. Develop it or get cattle, there could be a turnover. I am afraid of the County being on a headhunting program for land use properties. And I am concerned of...if the economy were different today that people would be selling their properties and saying if the County is giving me an either or...let's say you have a couple that is 80 years old with no kids and they have got 80 or 100 acres and it is in timber and they have not done anything with the property or they have been doing something to comply or to look like it complies or something like this. And Scott goes up to them and says do something or else. I am concerned that something is going to happen to that property. They are then going to go to the first developer that comes along and sell out because they don't have to pay rollback taxes. It is either pay the deferred land use rate or go to a new tax status. I am just throwing that out on the table for discussion. I have just been thinking about it and I may be completely off base on it....

Mr. O'Hara: I think if someone contracts with the County that they will use the property for a certain use then in exchange for a lower tax rate...

Mr. McClevey: Correct.

Mr. O'Hara: They need to honor their agreement with the County or they need to pay. Now what I am catching from you is, the question is, is it the intent we are looking for which is sort of passive. I am letting the land grow timber and I have not gone through the technicalities of the program by preparing plans and doing this and doing that. I would not want you to enforce it to the extent that they meeting the intent but not necessarily the technicalities. Obviously it is not up to us to determine that, but that would seem to be a reasonable way that we don't shoot ourselves in the foot by pressing the program or the enforcement of the program to an extreme.

Mr. McClevey: But when you fund the PDR program through the rollback there is this incentive now to be more vigilant in enforcing simply because it is a source of income. I understand...even if a developer...and again I am just throwing it out on the table, I am just thinking through this, okay. Even if a developer had a thousand acres and he did absolutely nothing with it for the next 10 years that is 10 years that we don't have to worry about a development on that property.

Mr. O'Hara: Technically he could pay someone to farm it...

Mr. McClevey: Or they could do nothing and in some cases...

Mr. O'Hara: They put it in land use and pay someone to farm it...

Mr. McClevey: They may not be complying or doing anything with it. I am just suggesting that maybe redefining the land use program to enable more people to hold property...I am only suggesting that right now if this was a better economic climate and houses were being sold and developments were coming in. Right now the land use program is like a finger in the dyke holding back some development. If you enforce the program you are pulling the finger out and it is going to explode and people are going to say I am out of land use okay, I am selling and that is it. If you roll back and it is residential now, go.

Mr. O'Hara: I don't think that many people are buying so I am not sure...

Mr. McClevey: They are not.

Mr. O'Hara: Because the money is not there the banks are not financing...

Mr. McClevey: And for that reason it may be an incentive for the County to go and get more properties, enforce this and try to make people tow the line.

Mr. Coen: Well, I sort of got the impression from Scott that he was going on it anyway.

Mr. McClevey: Yes.

Mr. Coen: So it does not have anything to do if we recommend it or not.

Mr. McClevey: I think it would stem from...I think there was an incentive to get the rollback taxes, I think there is an incentive to look at them.

Mr. Coen: When somebody I knew ran twice before, there was always this talk of people...we are not getting our share of the taxes because people are in the land use program inappropriately and we need to find the developers that are not doing it. So that has been an undercurrent for at least 8 years now. I think that his...whether or not that office looks into it, it is just a natural thing that

has been coming down the pike.

Mr. McClevey: I hear you.

Mr. Coen: I don't think it is so much of a...I think as the budgetary times got worse there has been an attitude of here is another untapped reservoir that we might be able to hit I think it is more from that mentality than the other mentality. I understand where you are coming from. Just for clarification, if Scott goes and looks at my 100 acre woods with Winnie the Pooh and says I am not doing what the plan says, you don't get the rollback then you have to wait until I sell it.

Mr. Neuhard: No, it is whenever the change of use.

Mr. Coen: So if he said that I have changed the use from agriculture to its just sitting there then I would have to pay money. If I turned around and said oh no, no, no, no, no I have begun farming this right now, then it would be a legal fight, right?

Mr. Adams: I think Albemarle was driving a lot of this, they started it. And they started it as I understand it because there was just out and out blatant fraud. People were just plain lying on the affidavit year after year after year. So you take in the case of forestry, the fact that you have got 100 acres and all 100 acres are wooded does not qualify you for land use if you don't have a forestry management plan. So what they were doing in Albemarle County was saying alright Tom, you have got this 100 acres, that is fine it is forest and we appreciate that but you don't have a forest management plan. So you have from now to the first of July to pay a Forester to write a plan for you and start using it or we are taking you out of land use.

Mr. Coen: Then I would pay my five years back.

Mr. Adams: Right.

Mr. Coen: It would be cheaper for me to get a forestry plan.

Mr. Adams: They were going to make you comply with the letter of the law and the spirit of it.

Mr. Coen: I still think it would be cheaper for me to pay for that guy than to sit around and try to sell it. I don't think there are that many people that are violating...

Mr. Adams: It would be, but if your forestry plan says alright next year you have got to harvest so much timber, if you don't do it you are in violation of your plan and the plan is useless...

Mr. Coen: And you would have to do it again, okay.

Mr. Adams: Once you have the plan you have got to stick with the plan which means you are cutting so often and replanting.

Mr. Coen: I guess that would be one question to ask...

Mr. O'Hara: But I am not going...if I am sitting on a bunch of forest land and the price for wood is depressed, I am probably going to want to sit on it for a couple of years before I harvest it. It just does not make good economic sense to do that. I guess there are two discussions. One is whether we think they will use the rollback as an appropriate use or the fear it may cause an intended consequence and there is the other one of how do we frame a solution that we send back to the Board. Well I had three questions that I wrote down. First is how much money do we need to have a viable PDR program? I think we as a group need to decide that.

Mr. Coen: Yes.

Mr. O'Hara: The second question is philosophically how do we feel about using rollbacks from a program that supports land conservation and agricultural use to fund general fund expenses? I think whatever we send back to the Board needs to have that what we believe. If we believe...if you guys believe what I believe I think there needs to be a strongly worded statement of what we believe and we think that there is an alignment between the land use program and the use of the rollbacks to fund the PDR program. The third question is how long are we willing to wait to accrue these adequate funds to actually run a PDR program? There is and obviously the Commissioner of the Revenue can put together a different model based on different approaches, but the question is how long do we think we can actually wait until we get to this point of no return where we can't buy the properties that we want to buy or I should say buy the development rights to the properties that we want to buy before the market turns to such a point where they can...developers can buy them or they can be sold to developers, all of the property can be sold to developers versus selling the county the development rights. At what point does that deal go the other way whereas right now we are probably in a better position if we had the money to buy now. This is I think a buyer's market at least for that that

verses...

Mr. Adams: I agree with that. If you had buckets of money right now you could almost actually be outbidding the developers.

Mr. O'Hara: I think the answers to those three question as well as the financial models, that kind of brings us closer to...now we are down to kind of arguing the fine points. But I think when we get done I sort of perceive us as having a one page position paper on this is why we think we should do it. This is how long we have to do it in and this is what we think you should give us as far as a funding source and looking at the rollbacks.

Mr. Adams: Well, my personal opinion is of the four options we were talking about earlier, the legislative route is the least viable to be. Because Farm Bureau would fight it, a lot of farmers would be fighting it. I just don't see that one going...that is my opinion.

Mr. Lott: The opinion at the managers meeting...they said it would be extremely difficult...

Mr. Adams: That was their opinion as well.

Mr. Lott: Yes.

Mr. O'Hara: I think that is dead on arrival and I think giving up on a solution that gives us \$20,000 which would buy us two-thirds of a development right...you know \$20,000 a year for the next 10 years, you know well maybe we could do...we could not even do a Silver farm size transaction. It would take us 14 years to get there.

Mr. Coen: Yes.

Mr. O'Hara: It is my understanding that one does not work real well so the solution is somewhere in the middle.

Mr. Coen: Yes.

Mr. Hunt: I don't mean to disagree with you because I agree with you on a lot of what you said. But at some point you have to remember that we will probably get matching funds for whatever we have so 20,000 becomes 40,000 and to me the most important thing is starting the program. I mean I am being quite facetious. If I started the program with a dollar a year at least I would have started. Again, maybe next year I would double it and the next year and so on. When you first asked the question I thought it was about how much do we need, I thought that was a great, great question. And the more I sat here and reflected on it, to me the issue is larger. How do I make sure I get started?

Mr. O'Hara: My counterpoint is, we are traveling along the same lines, is that in the negotiation...if I am trying to get something from you, I want to ask for the moon and we are going to end up somewhere in between. I don't want to start on the low end, I would rather start with something higher and make a strong case.

Mr. McClevey: We need to put this in here, this is part of our negotiations.

Mr. O'Hara: That is my thought, let's not short ourselves.

Mr. Hunt: If you ask for a dollar that is what you will get.

Mr. Coen: One question we also looked at. I know the State is giving less but what is it that they tend to be giving?

Mr. Lott: This year they only gave a hundred thousand.

Mr. Coen: I know, total. So maybe even if it is matching and we kicked in twenty if the State is only giving twenty thousand, just to see if it helps us with the argument, is it viable? How many years would it be until it is viable? I think basically...I think there is an understanding that this is not going to be the major source of funding for the program, but it would be a start. Until there is either the where with all or the mentality to go farther with other options that we have discussed. But I think your concern is well thought about. I would be interested in seeing if Scott thinks that would be a problem, that if we started going out would there be a kicked back. I made my face because I am really leery about even touching any vision or doing anything to the land use. I would like to make it more flexible but my concern is that when somebody hears they are looking at it, even if it would be more flexible it is going to be...even with the discussion that was at the Board a week ago there was an urban verses rural division on the Board as to the relative worth of it as an entity. So I am even leery of going there because I don't want that. Was that diplomatically put?

Mr. Lott: They might eliminate the program.

Mr. Coen: Yes, so I am leery of...I understand where you came from and I agree with you on that, but I am just leery of...

Mr. McClevey: That it might have some unintended consequences.

Mr. Adams: How much of the rollback rules are set by the State and how much...

Mr. Neuhard: All of them.

Mr. Coen: Yes.

Mr. Adams: With the land use, I know it varies from county to county as to how many acres it would take to qualify for land use and stuff like that. Is there an overall guideline from the State that the county has...

Mr. Neuhard: Yes, the enabling legislation that we have to adhere to.

Mr. Coen: Okay. So...

Mr. O'Hara: Yes, do y'all want to answer some of these questions and you all can think...

Mr. Coen: Your questions?

Mr. O'Hara: Can we just go question by question?

Mr. McClevey: We established...we did propose to the Board what ideally we would like to see in a PDR fund, how much money we wanted. I forgot how much money that was.

Mr. Coen: I could have sworn it was one million per year for ten years for a total of ten million.

Mr. O'Hara: Would it be fair to say, using the Silver transaction as a basis that we would like to have three hundred thousand dollars available each year for purchase where half of it came from the County and half of it came from matching funds? So we would be looking for one hundred and fifty for the County to provide and we would go...

Mr. Lott: I think this time we had three hundred thousand plus or minus...

Mr. Coen: Okay, so three hundred.

Mr. O'Hara: So three hundred. We are probably not going to get two million so I am thinking let's go with a realistic...

Mr. McClevey: And I am thinking we are not going to get a match. I understand the State is not going to have the money either, so we should be as self sufficient as possible.

Mr. Adams: I am looking at the math from the other way around. Because I applied last time, wasn't it you had to have a minimum of twenty acres, so you would say that could be up to six development units, that was a hundred...in other words the County was saying it was almost like a hundred and eighty million dollar floor to even apply to the program wasn't it.

Mr. Neuhard: One hundred and eighty thousand.

Mr. Coen: One hundred and eighty thousand.

Mr. Adams: One hundred and eighty thousand, yes a hundred and eighty thousand. Because of the twenty acre minimum and just knock off a little bit for the house and...so you had to have at least a minimum of six lots to apply is kind of...is that right?

Mr. Neuhard: You had to have twenty acres, you don't know how many development rights...

Mr. Adams: Well you know...I am just saying...

Mr. Neuhard: Yes, I hear what you are saying.

Mr. Adams: But you knew you were not going to get more than six out of it.

Mr. Coen: Okay, so we are ball parking one and fifty to two hundred thousand. And that is where I would be curious, I know it is vague, I know it is fuzzy, but to find out what the Quantico type matching would be. Because maybe this would not be viable for what we want to do ideally, but it would help us have a well spring of money in case the money came to the feds for Quantico. And you are still doing the same thing. That is why I would be curious.

Mr. Lott: I know some counties that are very creative with their...they don't just rely on the state. They are very creative about finding federal monies and other grant monies out there and put it together. There was also a lot of discussion last week, some of the counties get an appraisal and pay the form out and people are arguing that they are overpaying. Maybe we need to think about the amount we are paying for a development right. I think the way...I did not talk that much to Jerry about it, but I don't think the way the tax benefits...I mean the amount of money he got and his land was reassessed. I think it got reassessed at almost what...we basically paid him what the land was worth so there was really no tax benefit to him. So some of them are arguing...for some people who are looking for those tax benefits and you could go with less money and it would make your money go further. I know in Fauquier they pay...I think it depends on the kind of land owners you have. There are wealthier land owners looking for tax breaks that may work I don't know how it would work in our county. It was a conversation that was going on last week.

Mr. Coen: We had talked about it about a year ago about the idea of revisiting the thirty thousand and that might be something we could get into after the ranking. So we answered one.

Mr. O'Hara: One to two hundred K.

Mr. Coen: Is everybody okay with that?

Mr. O'Hara: Which is more of a small purchase or maybe infill type of purchase, it is on the lower end but it is enough to do something of some significance.

Mr. Hunt: Of some value and then you double it and grow it.

Mr. O'Hara: So the question then is how long are we willing to wait to get that much money together so we can get another RPM on the street to make a purchase?

Mr. Coen: Like I said we need to provide data...

Mr. O'Hara: I am trying to do this from the other way is what we want and take the raw data to figure out.

Mr. Coen: Right.

Mr. O'Hara: Which program works.

Mr. Coen: Right.

Mr. O'Hara: I was thinking to start off two to three years, which is probably still late, but I am trying to be somewhat reasonable.

Mr. Coen: Well, looking at the figures from Scott last time, 2009 is \$92,185 is the total rollback money. Then the year before that is \$151,000 and the year before that was about 550. So it is going to fluctuate, so you are talking theoretically one to two years.

Mr. O'Hara: Correct, and with the current economy you can probably look at 92 to 125 maybe next year a hundred. Probably a few years would get you there. But that is at one hundred percent.

Mr. Coen: Right. Then the other way you can just do two years is twenty thousand so you are talking...

Mr. Lott: I am not sure of the percentage of rollback Fauquier was getting. I can ask that.

Mr. McClevey: I think it is obvious that the rollback can't fund the PDR program in and of itself. Even with the trend of turnover it can't do it.

Mr. O'Hara: At the peak of development, that is when your cash flow will be coming in. If you look at it in 2003 and 2004, those

were both million dollar years.

Mr. Lott: The problem is you would be losing properties to buy.

Mr. O'Hara: Yeah I know, but at least you are buying instead of taking and putting it back in the County budget cycle.

Mr. Coen: Even if you save in non-peak years, that two year time period at one hundred percent is roughly close to two hundred thousand. So if we are aiming at that then you would say...to be able to wait your second question you would wait two years to do that. So you would be doing some type of program every two years theoretically. Okay, does that answer number two?

Mr. O'Hara: I think so. I guess the other one goes back to take up Marty's concern and I guess we can run it into the ground, but is using rollbacks to fund PDR the right way to get those funds. Is that use aligned with the original purpose for the land use program?

Mr. McClevey: I have already expressed my opinion. I think from what I can tell or what I have seen it is appropriate. It is the change over from the individuals who have been in land use to now residential and it is another use. So I think it is appropriate and it is not a whole lot of money but it is appropriate. I am not concerned about how it is used, I am concerned about any ramifications in getting it.

Mr. O'Hara: The Commissioner of Finance is a Constitutional Officer so he operates independent of other advice.

Mr. Neuhard: The Commissioner of the Revenue, absolutely.

Mr. O'Hara: So it is up to him how far he pushed this. So all we can do is just kind of tell him what we